

**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
BLUE RIVER REGIONAL WATER DISTRICT  
CRAWFORD COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
06/19/2007



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## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Eric Satterfield Gloria J. Bullington	01-01-05 to 07-25-05 07-26-05 to 12-31-07
Manager	Gary W. Holloway	01-01-05 to 12-31-07
Financial Clerk	Lisa Roberts	01-01-05 to 12-31-07
President of the Board	Rick Pitman Donald R. Cook	01-01-05 to 07-25-05 07-26-05 to 12-31-07



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BLUE RIVER REGIONAL  
WATER DISTRICT, CRAWFORD COUNTY, INDIANA

We have examined the financial information presented herein of the Blue River Regional Water District (District), for the period of January 1, 2005 to December 31, 2006. The District's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the District for the years ended December 31, 2005, and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 21, 2007

BLUE RIVER REGIONAL WATER DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2005, And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Proprietary Funds:				
Operating	\$ (32,765)	\$ 778,010	\$ 696,406	\$ 48,839
Bond and interest	4,373	57,700	57,768	4,305
Debt reserve	63,560	7,109	12,000	58,669
Construction	7,663	1,629	9,292	-
Customer deposit	23,910	6,750	7,275	23,385
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Totals	\$ <u>66,741</u>	\$ <u>851,198</u>	\$ <u>782,741</u>	\$ <u>135,198</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
General	\$ 48,839	\$ 861,235	\$ 758,665	\$ 151,409
Bond and interest	4,305	58,100	12,057	50,348
Debt reserve	58,669	325	-	58,994
Customer deposit	23,385	5,550	4,815	24,120
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Totals	\$ <u>135,198</u>	\$ <u>925,210</u>	\$ <u>775,537</u>	\$ <u>284,871</u>

The accompanying notes are an integral part of the schedules.

BLUE RIVER REGIONAL WATER DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides the following services: water treatment and general administrative services.

Note 2. Fund Accounting

The District uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

The District contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to

BLUE RIVER REGIONAL WATER DISTRICT  
NOTES TO FINANCIAL INFORMATION  
(Continued)

participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.



BLUE RIVER REGIONAL WATER DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Capital assets, not being depreciated:	
Land	\$ 38,184
Buildings	143,150
Improvements other than buildings	2,556,056
Machinery and equipment	<u>119,608</u>
Total business-type activities	
capital assets	<u>\$ 2,856,998</u>

BLUE RIVER REGIONAL WASTER DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Business-type Activities:		
Notes and loans payable	\$ 82,298	\$ 82,298
Bonds payable:		
Revenue bonds:		
2002 Waterworks Revenue Bonds, purchase of utilities	482,000	34,000
Total business-type activities long-term debt	<u>\$ 564,298</u>	<u>\$ 116,298</u>

BLUE RIVER REGIONAL WATER DISTRICT  
EXAMINATION RESULT AND COMMENT

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Some officials or employees of the District had money due from the District, but a list of such employees was not certified to the County Treasurer in 2005 or 2006.

Indiana Code 6-1.1-22-14(a) states, in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

BLUE RIVER REGIONAL WATER DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on May 21, 2007, with Donald R. Cook, President of the Board; Gloria J. Bullington, Treasurer; Gary W. Holloway, Manager; and Lisa Roberts, Financial Clerk. The officials concurred with our finding.